

**STATE OF MICHIGAN
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE REGULATION**

Before the Commissioner of the Office of Financial and Insurance Regulation

In the matter of:

**Wendy C. Huntley
System ID No. 0219516**

Enforcement Case No. 08-6926

Respondent
_____ /

Issued and entered
on 1/2/09 2009
by **Stephen R. Hilker**
Chief Deputy Commissioner

CONSENT ORDER AND STIPULATION

A. FINDINGS OF FACT AND CONCLUSIONS OF LAW

It is alleged that the following statements are true and correct:

1. At all pertinent times, Wendy C. Huntley, ("Huntley") was a resident insurance producer, System ID No. 0219516, licensed to sell, solicit and/or negotiate insurance in the State of Michigan with qualifications in property, casualty and surplus lines.
2. Respondent Huntley is an agent affiliated with Alternative Insurance Services, Inc., ("AIS.")
3. At all pertinent times, AIS was an insurance agency licensed as an insurance producer within the State of Michigan with qualifications in property, casualty, and surplus lines.
4. At all pertinent times, Respondent Huntley was the only licensed insurance producer working at AIS.
5. At all pertinent times, John Flaherty owned and operated AIS.
6. At all pertinent times, John Flaherty was not licensed to sell, solicit, or negotiate insurance in the State of Michigan.
7. As a licensed insurance producer, Respondent Huntley knew or had reason to know that Section 1207(1) of the Michigan Insurance Code ("Code") requires: "An agent to be a

fiduciary for all money received or held by the agent in his or her capacity as an agent. Failure by an agent in a timely manner to turn over the money which he or she holds in a fiduciary capacity to the persons to whom they are owed is prima facie evidence of violation of the agent's fiduciary responsibility."

8. As a licensed insurance producer, Respondent Huntley knew or had reason to know that Section 1207(2) of the Code requires that "An agent shall use reasonable accounting methods to record funds received in his or her fiduciary capacity including the receipt and distribution of all premiums due each of his or her insurers."
9. As a licensed insurance producer, Respondent Huntley knew or had reason to know that Section 1239(1)(d) of the Code allows the Commissioner to place on probation, suspend, revoke, or levy a civil fine under Section 1244 or any combination thereof, for "Improperly withholding, misappropriating, or converting any money or property received in the course of doing insurance business."
10. As a licensed insurance producer, Respondent Huntley knew or had reason to know that Section 1239(1)(h) of the Code, allows the Commissioner to place on probation, suspend, or revoke an insurance producer's license or levy a civil fine under Section 1244 of the Code for: "Using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere."
11. On or about November 5, 2007, the Office of Financial and Insurance Regulation (OFIR) received a written complaint from Anne Dwyer of American International Group (AIG) Audit Investigative Group alleging that Huntley and AIS failed to remit over \$459,500.00 in premium on eight commercial insurance policies written through AIG.
12. AIG is still owed approximately \$459,527.14 in insurance premiums.
13. On or about July 22, 2008, Respondent Huntley received a check in the amount of \$83,885.00 from writing agents, Nickel & Saph, Inc., as premium payments for the renewal of insurance for the City of Fraser and Sanilac County.
14. On or about July 23, 2008, the check was negotiated at Comerica Bank and the money was placed into an account held by AIS.
15. The surplus lines premium was to be remitted by Respondent Huntley to W. H. Greene, a surplus lines broker in the State of New York, and forwarded to the companies underwriting the municipalities, Merchant's Mutual Insurance (Sanilac) and American Alternative Insurance Corp (Frasier).
16. On September 2, 2008, Mr. Flaherty sent an e-mail to Stephen Saph, Jr., the writing agent for the Frasier & Sanilac accounts, stating that the money was never forwarded from his office, AIS.

17. Based upon the above actions, Respondent Huntley has committed acts that are grounds for the Commissioner ordering payment of a civil fine, refund of any overcharges, restitution be made to insureds to cover losses, damages or other harm attributed to Respondent's violation of the Code, and/or licensing sanctions under Section 1244(1) of the Code for the Respondent violating Section 1207(1), 1207(2), 1239(1)(d), and 1239(1)(h) of the Code.

B. ORDER

Based on the findings of fact and conclusions of law above and Respondent's stipulation, it is ORDERED that:

1. Respondent shall immediately cease and desist from operating in such a manner as to violate with Section 1207(1), 1207(2), and 1239(1)(d) and (h) of the Code, MCL 500.1207(1), 500.1207(2), 500.1239(1)(d), and 500.1239(1)(h).
2. Respondent's insurance producer license and authority are hereby **REVOKED**.

OFFICE OF FINANCIAL AND
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Chief Deputy Commissioner